

DOCUMENT RESUME

ED 238 759

SO 015 133

AUTHOR Waldrop, Ann S.
TITLE Economic Simulation Game: A Two Day Simulation for Grades 9-12.
INSTITUTION Richardson Independent School District, TX.
SPONS AGENCY International Paper Company Foundation, New York, N.Y.
PUB DATE 81
NOTE 35p.; Prepared at Forest Meadow Junior High School. Paper prepared for the International Paper Company Foundation's 20th Annual National Awards Program for the Teaching of Economics (1981-1982). For related documents, see SO 015 005-007, SO 015 118-132, SO 015 134-137.
AVAILABLE FROM National Depository for Economic Education Awards, Milner 184, Illinois State University, Normal, IL 61761 (free).
PUB TYPE Guides - Classroom Use - Guides (For Teachers) (052)
-- Speeches/Conference Papers (150)
EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Business Cycles; Economics; *Economics Education; Environmental Influences; Exports; High Schools; International Relations; *International Trade; Political Influences; *Simulation

ABSTRACT

High school students determine and meet the economic needs of imaginary island countries in this student-teacher created simulation game. The class is divided into six countries which determine their own economic system. Each group is provided with a summary of the current world economic situation and a confidential description of their own country's economic position in six commodities. In six rounds of play, the groups trade commodities while dealing with unforeseen political and environmental "events cards" which affect their economic situation. Upon completion of the game, the winning country is determined as the one that has most satisfied its economic needs and/or accumulated surpluses. All materials necessary for play are provided, including teacher background sheet, student direction sheet, map, world situation sheet, confidential sheet for each country, events cards, glossary, and follow-up discussion questions. (LP)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

ED238759

ECONOMIC SIMULATION GAME:
A TWO DAY SIMULATION FOR GRADES 9-12

by
Ann S. Waldrop

1981-82

Forest Meadow Junior High
9373 Whilehurst
Richardson, Texas 75243

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- ☐ This document has been reproduced as received from the person or organization originating it.
- ☒ Minor changes have been made to improve reproduction quality.
- Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

"PERMISSION TO REPRODUCE THIS
MATERIAL HAS BEEN GRANTED BY

George E.
Palmer

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

54 015 133

ECONOMIC SIMULATION GAME:

A TWO DAY SIMULATION FOR GRADES 9 - 12

An Introduction

This economic simulation game comes as a result of an offer I presented to my students last fall, 1981. I explained to them in August, 1981 that I would be integrating economic concepts into the course curriculum throughout the year. After about three months had passed and the students had attained an understanding of some of those economic concepts, I told them about the awards presented by the Texas Association of Business and Baylor University's Center for Private Enterprise and Entrepreneurship. In short, I offered an equal share in the award money to anyone interested in working on an economic unit, provided, of course, the submitted unit won a cash award. I had two students decide to "go for it".

From the beginning, the students wanted to create some kind of game that would portray situations similar to ones found in today's world. They modeled the location of their nations from countries in the Caribbean, but took economic conditions that exist in countries from all over the world. I restricted them to a two day simulation game as it was a time allotment I knew I could allow and one I felt other teachers would accept more readily also. Work on the game was begun in November, 1981; the game was played with the class in May, 1982. Between November and May the two students and myself had numerous meetings after school, some quite lengthy. The hours and efforts put forth are apparent, I believe, upon examination of the game.

We are very pleased with the results. The game contains a lot of "meat", yet fits into a time frame that lends itself to use in any course integrating economic concepts. It provides a fun, hands-on, challenging, motivational activity to reinforce all the economic concepts we covered in our American History class. The game is structured in a way, too, that students can take initiative and elaborate upon the original framework. We played the game as a culminating activity for the economic instruction covered throughout the year; it might also be quite effective as an introductory activity for students in grade 10 or 11 or 12 who have covered the economic concepts used in a previous course.

ECONOMIC SIMULATION GAME:

A TWO-DAY SIMULATION FOR GRADES 9 - 12

GOALS: There are six main goals of this simulation game. Upon completion of the game, students will have (1) demonstrated knowledge of the economic concepts and generalizations found in the glossary of this unit, (2) developed a greater understanding of the main economic problem of scarcity by trying to meet their own country's needs, (3) realized the role of interdependence, (4) recognized the intricacies involved in establishing economic policy (i.e. political, social and economic considerations), (5) operated with circumstances created by natural forces, and political and economic changes that were beyond their control, (6) formed parallels between actions and events of the game with exchanges of trade that occur in the real world of today.

TEACHER INFORMATION AND INSTRUCTIONS:

This simulation game deals with a typical world situation. Some countries are more prosperous than others due to the economic conditions of each. Each student will be given the opportunity to act as a part of an economic system for an island nation: Hessonder (Hess'-sun-der), Redneville (Red'-ne-vil), Vivario (Vi-vair'-e-o), Pordan (Pour-dan'), Amorla (A-mor'-e-a), or Conakary (Kon-ack'-er-e). Economic concepts covered in this game are included in the glossary following the teacher information sheets.

The following will need to be explained to the students:

OBJECT: (1) To meet all economic needs, (2) if possible, to exceed basic needs and achieve greater potential for economic growth.

TIME: One in a half to two class periods.

PROCEDURE:

The class should be divided into six groups. Each group will represent one of the six countries; flags may be used to distinguish the groups. Two of the most honest and capable students in the class should be selected as International Trade Commissioners. It is the duty of the International Trade Commission (ITC) to check each transaction and approve or disapprove it. The commissioners must be able to keep accurate and reliable records throughout the game and see that the rules set are followed by all the countries.

The first thing each group must do is determine their economic system--market, command or traditional. Positions such as Secretary of Transportation, Secretary of Energy, etc. (see Confidential sheets) may be designated to members of the group once the system has been defined.

Next distribute Student Information Sheet, World Situation Sheet and map to all students. After students have reviewed the pages and understand the object and nature of the game, you are ready to begin by giving to each country their Confidential Sheets (one for each member of the nation) and their Transaction Sheet (one per group or country). The International Trade Commissioners are to receive six Record of Transaction sheets, one for each nation.

Allow groups five minutes to read and discuss their situation and arrive at their goals and plan for achieving those goals. Go over the rules for the rounds, distribute several Trade Agreement slips to each country, then begin Round 1.

ROUNDS: There will be approximately six rounds, each consisting of three parts:

- (1) Each team will be given approximately two minutes to decide which space they want to move into for that round. Each space will be referred to by its number--see map. There may be no more than one country in a square per round, and they may not remain in the same square two turns in a row. (Spaces have been set up to restrict the trading so as to allow for several rounds and event changes. It is recommended, however, that the last round be open.)

TEACHER INFORMATION AND INSTRUCTION continued

When a team has decided where they wish to move, they report it to the ITC, who will indicate on the board the selected square of each nation. (The map may be simply reproduced on the blackboard or on a large cork board where toothpick flags can indicate changes in position.) If another team has already taken a requested space, that country must choose another one.

(2) Event Cards (deleted in first round):

Three event cards will be drawn after the spaces have been selected, before negotiations begin. The teacher will read them aloud and refer to them as "News Updates". Adjustments should be made on the appropriate Records of Transactions. (Each country has an equal chance of being drawn and an equal chance of the card being good or bad. See List of Events and Table.)

(3) Trading Session: This is a three minute time period (which may be lessened as the game progresses) for nations to trade their commodities. Once a nation has negotiated a trade, they are to fill out a Trade Agreement form and submit it to the ITC for approval. (Example: If Amoria had a -5 in energy and Pordan offers to trade her 4 food for 3 energy, the Trade Agreement would be filled out in this way:

TRADE AGREEMENT

Country <u>Amoria</u>	Country <u>Pordan</u>
(-) Exporting <u>4 Food</u>	(-) Exporting <u>3 Energy</u>
(+) Importing <u>3 Energy</u>	(+) Importing <u>4 Food</u>

Amoria and Pordan would adjust the figures on their Records of Transaction sheets, also, to reflect the trade. Each nation must keep current their transaction sheet as will the ITC.

Initially, students will know only the economic position of their country. However, after Round 1, the ITC will begin posting trades for all the countries to view. The blackboard can be used for this.

A winner will be determined after the last round by the International Trade Commissioners and the teacher, based on the Records of Transaction sheets the ITC has kept. The country who has most satisfied their needs and/or has accumulated surpluses for economic growth will be identified as the winner.

RESOURCES, REFERENCES AND TEACHING MATERIALS

PREPARATION:

Both Cherie and Greg, the two students who really created the game, are above average students. Their working knowledge of economic conditions which exist in today's world is great. Both stay current with international news as well as regularly seek more in depth information about various countries and situations through newspapers, news magazines and encyclopedias. The knowledge they applied to the game was virtually knowledge they already possessed, although certainly some research was done. Word definitions were checked with sources available through the school district (i.e. economic textbooks and publications and some, from my notes from graduate courses). When questions developed that they were unable to answer or work with, I was able to direct them or supply the necessary information.

IMPLEMENTATION:

The game requires little, if any, use of supplementary materials. In fact, one of our goals in writing the game was to provide a unit complete on its own. The game stands complete basically as is. Any resource speakers or aids are purely optional. The beauty of the game is that any teacher who has covered the economic concepts given in the glossary, either extensively or as a matter of review, is in a position to play the game.

EVALUATION OF THE GAME

The real test of the success of this game, we feel, is in how well the students can respond to the follow up questions given with the directions. Our class responded quite well to the oral discussion that took place after the game which is why we deemed it a huge success.

We were limited in time to the two days; the next time I play the game with a class I plan to select some of the follow up questions and assign them as essays to be written in class or as homework after some oral discussion has taken place. This would, in my opinion, be the most conclusive way of determining the students understanding of the economic concepts covered, the knowledge they gained from the experience, and their ability to apply the knowledge to today's world economic situation.

SUBJECTIVE EVALUATION from all participants were requested. Find below actual samples of comments received from members of the class. Following the student comments are letters from persons involved with the game at different vantage points.

Students: "...I believe that the game was really fun and I don't believe they should change anything." "...it was fun not knowing what other nations had and not knowing what was going to happen on those little bulletins." "...it's challenging." "...The thing I liked the most about this game is that everyone got into it. The other ones we've played people sometimes don't get into it. This game lets everyone have a part and enjoy it, even though we didn't win. It was fun!" "...It showed to me that the world goes on. We had alot of problems but it evened out." "...Overall, I enjoyed the game. I often was frustrated when I couldn't trade the way I wanted, but that was realistic. I suggest a 'free trade' session every three turns." "...the last round of all trade was perfect for the last round." "...it was a GREAT game!"

FOLLOW-UP DISCUSSION QUESTIONS:

Some of these or all may be used in an oral discussion when the game is complete. Some questions might also be assigned as essays to be completed one or two days after the game.

1. What type of economic system did each country select?

Did each maintain their system throughout the game? (i.e. if market was chosen, did each member maintain input or did one person end up making most of the decisions?)

Countries today have mixed economic systems. If your system became mixed, what elements were dominant and in what ways?

What advantages and disadvantages existed for each system as you experienced it?

2. What was the outcome of the game for each country?

Did some or all find it impossible to meet all their economic needs?

Did you find some countries willing to discuss a trade, but not willing to finalize one?

What commodities were most difficult to acquire?

How did tariffs effect trade agreements?

Were economic priorities set in each country based on what was most needed or on what was easiest to obtain?

How do you think countries today establish priorities?

Did anyone feel they could function economically without trade with another country?

What is the role of specialization and interdependence in today's world?

What role did these play in your game?

3. How did the event cards effect your country's position?

Give examples of events which occur in the world today that effect the economies of one or more countries.

4. What effect, if any, did social or political positions of your country have on your economic decisions? (see Additional Teacher Information for the World Situation Sheet)

If not in your game, how might social and political conditions and traditions of a country have interfered and/or aided trading and/or the economic position of the countries?

How do those considerations effect countries of today and their economic policies? Give specific examples.

Do you think political and social and traditional views of a country dictate economic policy more often than not?

FOLLOW-UP QUESTIONS continued

5. What economic concepts would you determine were covered in the game?
What problems arose in your groups (a) policy planning, (b) decision making, and (c) trade negotiations?
6. What new ideas were brought into the game by individual country's?
If none were, what are some things that could have been done?
(i.e. Council of all free countries organized and trade agreements established; a common market established among all the nations; economic sanctions brought against one or more nations because of political or social practices?

GLOSSARY OF ECONOMIC TERMS AND GENERALIZATIONS

1. ECONOMICS study of the allocation of scarce resources into the production and distribution of goods and services
2. EFFICIENCY ability to make the best use of available resources
3. MARKET EQUILIBRIUM condition in which the quantity demanded equals the quantity supplied and there is no tendency for the price to change
4. DEFICIT an amount by which a sum of money is less than what is expected, due, needed; shortage
5. SURPLUS the amount supplied that is more than the amount demanded
6. QUOTA the required totals to be filled by producers
7. TRADE OFF giving up one thing to gain another; giving up the specific use of a product to produce other items
8. BARTER a system of trade in which one type of good or service is traded directly for another type of good or service
9. IMPORT a good or service purchased by one country from another
10. EXPORT a good or service produced in one country and sold to other countries
11. REVENUE the income from taxes, duties, etc. of a government
12. TARIFF a tax added to the price of imported goods. This tax provides a source of government income.
13. BLACK MARKET a market where items are sold at a price above the legal price ceiling. Also items which are illegal are often sold in a black market
14. GOODS tangible things that satisfy people's wants
15. SERVICES work done or a duty performed for others
16. COMMODITIES anything that can be bought or sold or traded on an open market
17. MARKET ECONOMY decisions are made by individual producers and consumers through buying and selling in the market. Means of production are owned and operated by private citizens.

one in which individuals determine what should be produced, how much, by what methods, and how the goods and services should be distributed.

18. **COMMAND ECONOMY** a few leaders or group have the control and responsibility for making the economic decisions
19. **TRADITIONAL ECONOMY** economic system that conducts activities based on a set of rules and beliefs handed down from past generations
20. **MIXED ECONOMY** a system that includes elements of two or more pure economic systems with emphasis on one of the systems
21. **LAND** natural resources such as soil, water, oil and minerals used in production; one of the factors of production
22. **LABOR** human effort both mental and physical used in the production process; the second factor of production
23. **CAPITAL** in financial matters, capital refers to money; as a factor of production, capital refers to goods made by people and used specifically to produce other goods and services
24. **SCARCITY** the condition that exists when wants are greater than the resources available to satisfy them
25. **SPECIALIZATION** restricting or devoting oneself to a special pursuit, such as one type of work or product; process of each person/region's using to best advantage any peculiar differences in skills and resources
26. **INTERDEPENDENCE** dependence on other; in economics specifically, a relationship between people and/or nations for providing needed goods and services
27. **COMMON MARKET** an economic union of nations formed to stimulate industrial growth, increase employment and put more goods and services within reach of the consumer. Trade is stimulated among members by eliminating tariffs and other trade barriers within the organization
28. **SANCTIONS** a coercive measure, usually taken by several nations together, for forcing a nation considered to have violated international law to stop the violation; economic sanctions may consist of withholding loans, refusing to trade, etc.
29. **ENTREPRENEURSHIP** act of combining land, labor and capital resources in a productive way in order to create something new, but also taking the risk of loss; the fourth factor of production

STUDENT INFORMATION:

This simulation game deals with a typical world economic situation. You will have the opportunity to act as a part of an economic system for an island nation: Hessonder, Redneville, Vivario, Pordan, Amoria or Conakary. At this point, you should have decided on an economic system that you feel can serve your group best and operate most efficiently.

As a nation, you will try to meet all of your economic needs and if possible, secure surpluses which will allow you greater potential for economic growth. A winner will be determined at the end of the game based on which country has best satisfied their needs and worked toward economic growth. The Confidential Sheets you will receive a little later will give you your economic position in six different commodities. You will need the information given you in your Confidential as well as the information given you in the World Summary Sheet and map to determine your goals and plan for attaining those goals.

Be as creative and innovative as possible in meeting your needs based on the information you are given. Be certain, too, to keep accurate records of all your transactions.

WORLD SUMMARY SHEET

1. These six secluded islands represent a typical world economic situation.
2. These six island nations are interdependent on each other for their respective needs.
3. The two greatest economic concerns in the region are the energy crisis and the food famine.
4. The two main rivals are the nations of Redneville and Hessonder. They both wish to be supreme and because of the energy crisis and food famine their chances of obtaining this are good.
5. The other rivalry is more political. It is between Pordan and Vivario and their strong civil rights beliefs.
6. Vivario is a nation with a distinct small upper class of plantation owners and a large lower class of modern day slaves.
7. Pordan is an industrialized nation. They have a democratic, almost libertarian type of government. This is a mountainous island with large iron ore deposits.
8. Right now, Pordan, Redneville, and Hessonder place high tariffs on most imports. They can best afford to do this. The tariff serves as a deterrent to trade for the other countries. Overall, the other countries maintain moderate to low tariffs.
9. Redneville is a nation recovering from a civil war between its farmers and sheepherders. This most recent conflict has left the farmers victorious and in control. Traditionally, the sheepherders have maintained that position.
10. Amoria is a tiny extremely stable nation that maintains friendly relations with most of the countries, most of the time. Traditionally, Amoria remains neutral in international disputes and has served to arbitrate disputes between two countries.
11. Hessonder is a confederation of oil producing states that is deeply religious and traditional.
12. Conakary is a new, developing nation that uses its large size to grow vast cotton fields. A third of its revenues come from legally grown marijuana. The other countries are opposed to this drug market and concerned as it is causing a growth in the strength of the black market in their countries.
13. Traditionally, the six nations have each maintained immigration quotas. However, with the increased need for labor, work visas are being granted on a greater scale by those countries in greatest need of manpower.

ADDITIONAL INFORMATION FOR THE TEACHER CONCERNING WORLD SITUATION SHEET:

In reference to Vivario, a nation with slaves and Conakary, a nation with a legalized drug is the following explanation.

These aspects of the game were included for several reasons. One was simply to "spice up" the game. Student interest is greater when there are controversial elements. MAINLY, however, these elements were included to force value judgments and decisions by the countries. Would some countries refuse to trade with Vivario because they held slaves? Would some refuse to trade with Conakary because of their drug market? Would some, on the other hand, wish to buy some of Vivario's slaves and engage in slave labor themselves? Would some see legalizing marijuana as a way to boost their own revenues and thereby increase their capital?

Naturally, positive decisions, ones with high moral, social and political standards are desired. The real world faces such questions and considerations all the time. It is believed important to allow these questions to surface so that they might be openly discussed and a broader awareness of what is involved in economic policy making, in the real sense, can be obtained.

1



2

3

4



5

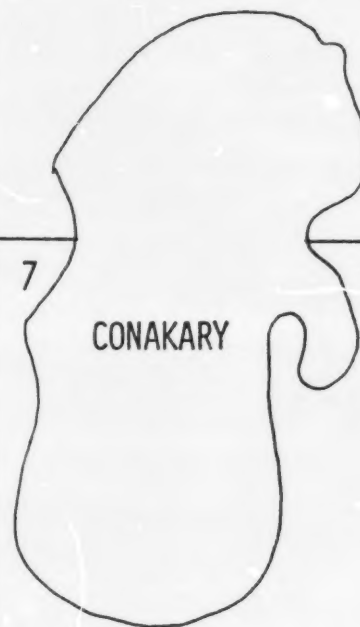
6



7

CONAKARY

8



9

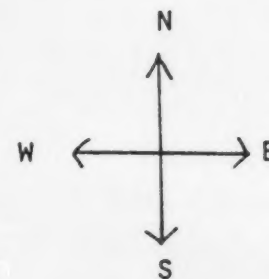
10



11

VIVARIO

12



16

17

CONFIDENTIAL COVER SHEET

At the top of your country's Confidential Sheet is a list of commodities and your supply in each. A negative number represents a deficit or need and positive number indicates a surplus. Example: If a sheet reads Food, -10, it means that country needs 10 units of food to meet its economic requirement. By the same token, a +10 would indicate 10 extra units or a surplus which could be traded for other needed commodities.

Review your Confidential Sheets now along with the World Summary Sheet and map. Establish your economic goals and plan ways of attaining those goals. When you are ready, the teacher will explain the trading rounds that will follow.

Note: Various events concerning one or two of the countries will be drawn before negotiations begin starting with Round 2. These events can be helpful or harmful to your country.

HESSONDER

Textiles	Labor	Transportation	Food	Energy	Capital
+ 5	- 5	- 5	-10	+20	- 5

This is a confederation of oil-producing states. The emphasis of all member states is on oil and other energy products. Most of the member states are deeply religious and stick closely to the idea that sheep herding is what should be done by young men. This accounts for the confederation's surplus in textiles. The confederation produces very little food except for the small, short vegetation used for herding. The fastly growing oil industry is in deep need of labor and sufficient transportation. The money supply suffers from the high speculation of the general economy due to the front-role of oil. Traditionally, you maintain a high tariff on all imported goods, except food, in an attempt to keep out foreign influence and protect your own producers.

Redneville is your arch rival.

AMORIA

Textiles	Labor	Transportation	Food	Energy	Capital
+ 5	-10	- 5	- 5	- 5	+20

This is a tiny, rich nation which has small needs because of the small population. Amoria has a well-developed monetary system which causes its money to be welcomed on any island. Traditionally, Amoria has a small, but dependable textiles industry. This industry consumes much of the small island's land, and so it lacks room to grow food to feed even its own small population. The natural resources are limited.

In an effort to boost your labor force, you are openly encouraging workers from other neighboring countries to secure work visas from your country. You support the idea of a common market, but as yet no one else has shown an interest in such an arrangement.

PORDAN

Textiles	Labor	Transportation	Food	Energy	Capital
-15	+10	+20	-10	-10	+ 5

This is an industrialized nation with a large population and area. The emphasis of its economy is on mining as it is a mountainous island. Pordan leads the others in transportation; its system is extremely productive and efficient. The assembly lines are filled by the population's large, cheap labor source. The people are content with their governments civil rights policy that allows many freedoms with no discrimination based on race, sex, or nationality. This open and democratic outlook of life has caused serious problems with Vivario, a country with slaves.

Because the island is extremely rocky, there are few good grazing fields or farm lands. This is shown through the deficits in textiles and food. Also, with transportation as the main business, a great need for energy has developed.

Traditionally, you maintain high tariffs on all imported goods. With the increased need for food and energy, you are more willing to lower your tariffs and allow greater exchange with the other five countries.

VIVARIO

Textiles	Labor	Transportation	Food	Energy	Capital
+ 5	+20	- 5	+ 5	-10	-15

This is an underdeveloped nation that is surprisingly able to feed its enormous population. The country is run by a small group of wealthy plantation owners. They "rule" over the large lower class as modern day slave owners. The government is somewhat shaky as protests mount against unfair treatment of the slaves. These protests are a more recent development in the country, and as yet it is unknown what long range effect, if any, they will have on the government. The unrest has caused the value of the currency to be unstable.

Vivario suffers from the world wide energy crisis. It also has a transportation problem due to the large population. The small textiles industry is state-run and the first part of an industrialization program.

CONAKARY

Textiles	Labor	Transportation	Food	Energy	Capital
+20	-10	+ 5	- 5	-15	+ 5

This is a new, developing nation with a surprisingly small population considering the country's size. A portion of the nation's revenues are obtained through marijuana, a major legal cash crop. Most of the island is roamed by sheepherders who send their wool each year to the large textiles factories in the capital. Conakary has borrowed ways of doing things from other nations who do them well. From Amoria, you have developed a strong monetary system, and from Pordan, you have developed an efficient transportation industry.

In the past few years you have been able to increase your labor force by issuing work visas to workers from other countries. Still, you have a need to acquire more manpower. The tariffs you place on imports are moderate; you are hesitant to trade with Pordan, Redneville and Hessonder because of their extremely high tariffs. Your greatest need is energy.

REDNEVILLE

Textiles	Labor	Transportation	Food	Energy	Capital
-10	- 5	- 5	+20	+10	-10

This is a chiefly agricultural nation, with large crude oil reserves. Redneville has a leading economy overshadowed only by Hessonder, your arch rival. You are the only oil producer outside of the oil producing states. The deficit in textiles resulted from a verbal and eventual gun fight between the sheepherders (who had ruled the textiles industry and controlled the economic policy making) and the farmers. The conflict ended with a cease fire agreement that gave the victorious farmers the most fertile land, and pushed the sheepherders onto wasteland. Now the textiles industry is floundering and food industry is at its highest. The farmers, now, too, exercise control over economic decisions.

The civil war triggered a steep drop in the country's currency from which it has not yet recovered. You have a small population and a weak transportation industry. You maintain extremely high tariffs in hope that the revenues will increase your overall capital. So far, the tariffs have served only to deter trade agreements and revenues have dropped.

EVENT CARDS

Severe lack of rain causes
a heavy drought in Amoria.
It loses 5 in food.

Heavy flooding in southwestern
area destroys several trains.
Pordan loses 5 in transportation.

Severe plague strikes
Vivario and it loses 5 in
labor due to the many deaths.

Locusts strike Conakary and many
fields of cotton are destroyed.
Conakary loses 5 in textiles.

Revolutionists attempt to
overtake Redneville's govern-
ment. They fail, but the
attempt weakens the economy.
Redneville loses 5 in capital.

Hurricane wipes out two
main power plants in
Hessonier and they lose 5
in energy.

Good weather in the northern
area. Redneville and Hessonier
gain 5 in food.

A company in Pordan makes a new car which is an overnight success. The country gains 5 in transportation.

A baby boom in Vivario increases the population; Vivario gets a gain of 5 in labor.

A new blend of cotton and wool is in fashion. Conakary leads in the development and gains 5 in textiles.

Amoria celebrates its centennial and faith in the government increases. She gets a gain of 5 in capital.

Lightning strikes a major pipeline in Redneville. They lose 5 in energy.

Dust storm hits Vivario effecting harvest. She loses 5 in food.

Whirlpool sucks down six boats carrying Pordanian workers to their jobs. Pordan loses 5 in labor.

Recession strikes Conakary. They lose 5 in capital.

Bizarre hailstorm hits northwestern islands. Hessonder and Amoria each lose 5 in textiles due to the damage caused.

Hessonder discovers a huge oil deposit and gains 5 in energy.

New refineries increase oil production by 75% in Conakary. They gain 5 in energy.

Government projects create new jobs in Amoria which allow her a gain of 5 in labor.

Overall strengthening in economy gives Viverio an extra 5 in capital.

New way to spin wool is found in Pordan. They get an extra 5 in textiles.

New monorail system in Redneville is very popular. They gain 5 in transportation.

RECORD OF TRANSACTIONS FOR _____

0 I.T.C.

0 COUNTRY

TEXTILES	LABOR	TRANSPORTATION	FOOD	ENERGY	CAPITAL	
						WRITE IN BEGINNING FIGURES
						TRADES
						TOTALS

DISTRIBUTION OF COMMODITIES AT BEGINNING OF GAME - FOR TEACHER ONLY

	TEXTILES	LABOR	TRANSPORTATION	FOOD	ENERGY	CAPITAL	TOTALS
HESSONDER	+ 5	- 5	- 5	-10	+20	- 5	0
AMORIA	+ 5	-10	- 5	- 5	- 5	+20	0
PORDAN	-15	+10	+20	-10	-10	+ 5	0
VIVARIO	+ 5	+ 20	- 5	+ 5	-10	-15	0
CONAKARY	+20	-10	+ 5	- 5	-15	+ 5	0
REDNEVILLE	-10	- 5	- 5	+20	+10	-10	0
TOTALS	+10	0	+ 5	- 5	-10	0	0

LIST OF EVENTS

and

TABLE

1. Severe lack of rain causes a heavy drought on Amoria. It loses 5 in food.
2. Heavy flooding in southwestern area destroys several trains. Pordan loses 5 in transportation.
3. Severe plague strikes Vivario and it loses 5 in labor due to the many deaths.
4. Locusts strike Conakary and many fields of cotton are destroyed. Conakary loses 5 in textiles.
5. Revolutionists attempt to overtake Redneville's government. They fail, but the attempt weakens the economy. Redneville loses 5 in capital.
6. Hurricane wipes out two main power plants in Hessonder and they lose 5 in energy.
7. Good weather in the northern area. Redneville and Hessonder gain 5 in food.
8. A company in Pordan makes a new car which is an overnight success. The country gains 5 in transportation.
9. A baby boom in Vivario increases the population; Vivario gets a gain of 5 in labor.
10. A new blend of cotton and wool is in fashion. Conakary leads in the development and gains 5 in textiles.
11. Amoria celebrates its centennial and faith in the government increases. She gets a gain of 5 in capital.
12. Lightning strikes a major pipeline in Redneville. They lose 5 in energy.
13. Dust storm hits Vivario effecting harvest. She loses 5 in food.
14. Whirlpool sucks down six boats carrying Pordanian workers to their jobs. Pordan loses 5 in labor.
15. Recession strikes Conakary. They lose 5 in capital.
16. Bizarre hailstorm hits northwestern islands. Hessonder and Amoria each lose 5 in textiles due to the damage caused.
17. Hessonder discovers a huge oil deposit and gains 5 in energy.
18. New refineries increase oil production by 75% in Conakary. They gain 5 in energy.
19. Government projects create new jobs in Amoria which allow her a gain of 5 in labor.
20. Overall strengthening in economy gives Vivario an extra 5 in capital.
21. New way to spin wool is found in Pordan. They get an extra 5 in textiles.
22. New monorail system in Redneville is very popular. They gain 5 in transportation.

KEY OR TABLE OF EVENTS

<u>Redneville</u>	<u>Pordan</u>	<u>Conakary</u>	<u>Amoria</u>	<u>Vivario</u>	<u>Hessonder</u>
-5cap	-5trans	-5tex	-5food	-5labor	-5energy
+5food	+5trans	+5tex	+5cap	+5labor	+5energy
-5energy	-5labor	-5cap	-5tex	-5food	-5tex
+5trans	+5tex	+5energy	+5labor	+5cap	+5food

* Idea File

**Economics
Simulation Game**

To demonstrate the three types of economies (traditional, command, and market), Forest Meadow ninth grade American History teacher Ann Waldrop uses a unique economic simulation game.

A modification of a game devised by Project Business, Waldrop and Dee Thomas, PHS American History teacher, worked out details of the plan last spring.

During the summer, Waldrop contacted area businesses, explaining the simulation and how it helps the students understand the merits of the free enterprise system. She requested help with obtaining the supplies needed for the simulation—150 pens, 450 pencils, and \$15 in pennies.

Before the students played the game they spent four days on an economics unit, learning the definition of economics, goods and services, and the three types of economies.

The simulation game itself involves dividing the class into small groups, which work independently. Each student is supplied with one pen, three pencils, and ten pennies. One student in each group is given a blue card, two students are given red cards, and the remainder receive yellow cards.

The students are allowed to buy, sell, and barter their goods as they wish for five minutes. At the end of the time period, they are instructed to give all pens to the student with three blue cards, all pencils go to the students with the red cards, and the pennies are divided up among the students with the yellow cards.

This represents a traditional economy with the blue card representing the chief, red cards representing hunters, and yellow cards representing farmers. In a traditional economy the rules and beliefs are handed down from past generations and are not questioned.

Next, the materials are distributed again as at the beginning, and the students are allowed to



Apollo Junior High librarian Judi Collett (left), and World of Wonder Series author Barbara Corcoran enjoy a few moments together prior to Ms. Corcoran's presentation to Apollo students. A resident of Montana and author of many children's books, Ms. Corcoran spoke to groups at several district schools during her visit the second week in November.

buy, sell, and barter for five minutes. This time, demonstrating a command economy, all pens go to the shortest person, pencils to the next shortest, and pennies are divided up among the remaining students. In this case, short people have the control and responsibility for economic decisions.

Finally, the materials are collected and distributed again as at the beginning, and the students have another five minutes of trading, with the understanding that they will be able to keep what they have at the end of the time period, thus illustrating a market economy.

Each of the examples is discussed and explained and the idea of a mixed economy is presented.

The day after the game the students discuss a mixed economy in more detail along with the three basic economic questions: 1) What to produce, 2) How much to produce, and 3) How to distribute the items produced.

"I have really been pleased with the results of the simulation," Waldrop says, "the students seem to grasp the concepts well."

If you would like to try something similar in your classroom, contact Ann Waldrop for more specific details.

**Wallace parents
boost art fair
participation 100%**

Wallace Elementary boosted participation in their 1981 Art Fair over 100 percent from the 1980 participation, and would like to share their "secret for success" with other schools.

According to Art Fair Chairperson Judy Meagher, "we felt that our success was due to making a special effort to gear the art fair to the students."

"To kick things off, a parent visited each classroom to explain the theme and rules for the fair. Each student then took home a copy of the rules on September 29."

"Entries were due on October 7, 8, and 9 giving the students enough time to complete their project, but not enough time to forget about the fair."

"Principal Gene Peer also announced the upcoming deadline each morning and student volunteers wore walking posters in and around the school before 8:30 every morning."

"The fair was ready for Open House and we continued the tradition of awarding each entering student a participation ribbon," Meagher explained.

FEEDBACK

1201 EXECUTIVE DRIVE W. / RICHARDSON, TX 75080 / (214) 690-8484

TO: ALL PROJECT BUSINESS PARTICIPANTS

May 6, 1982

FROM: N. VICTORIA SISSON, DIRECTOR OF OPERATIONS-PROJECT BUSINESS
ANN MANSFIELD, SENIOR PROJECT BUSINESS MANAGER
DOREEN BOYLAN, PROJECT BUSINESS SECRETARY

BEGINNING OF THE END

Most classes will be over in the next two weeks. Please go over this checklist to make sure everything is covered:

- _____ All reports and needed forms in the PB office
- _____ Certificates of Accomplishment ready for the last day of class (If you need more than the 30 you have, call our office)
- _____ Notified PB office of extra Student Manuals
- _____ Marked calendar for Appreciation Party on June 3.
(Formal invitations will be in the mail soon)

ABOVE AND BEYOND

MARILYN CHERNICK (Dallas Times Herald) conducted a special field trip for a student confined to a wheelchair in WILLIE CORNELIUS's class at Gaston Middle School. The original tour for the class was held on Marilyn's regular class day and the special tour the next. Thank you, Marilyn, for such a nice gesture!

AND NOW A WORD FROM OUR SPONSOR

During your last class meeting would you put in a good word for Junior Achievement's High School Program. Young people learn the principles of the American free enterprise system by running their own small business. Scholarship opportunities are available for outstanding achievers. This program is open to all high school students. If you need more information, please call.

IN APPRECIATION

Teachers, PROJECT BUSINESS wants to give you a special thank you for your enthusiasm and commitment to the program. You have been extremely valuable to the success and smooth operation of PB.

Consultants, the considerable amount of time and energy you put into PROJECT BUSINESS has been greatly appreciated. The program allowed you the opportunity to share your expertise in business on a first hand basis, and to have made an impact on the students and professional staff, as well.



ROCKWELL CONTEST

Each semester the Rockwell chapter of NMA conducts a Free Enterprise essay contest for all Rockwell sponsored PB classes. The \$200 fall semester award went to LAURA NIEMANN. WAYNE NELSON, Rockwell, worked with Laura and her classmates in ANN WALDROP's 9th grade class at Forest Meadow Junior High. The following is Laura's essay:

34 (see back)

The topic - "What the Free Enterprise System Means to me"

THE FREE ENTERPRISE SYSTEM -- AND MY WANDERING THOUGHTS

I really need a new coat. You should see me in last year's! It still looks like new, though. Mom has been checking ads in the early morning news...(all kinds of wild stuff in that newspaper and she reads the ads first).

The free enterprise system is the economic system of the United States, Canada, and some other countries. This system is based on individual economic freedom and plays an important role in the lives of all Americans. One of the basic freedoms in this system is the freedom to buy and sell as we choose.

It seems the stores are having coat sales now. I guess we'll spend all day Saturday comparison-shopping! I'm glad there are so many to choose from and that they will cost less...(maybe I can get new loafers, too).

The motivation of individuals or companies to make a profit is what makes the United States a great country. Without that motivation the productivity, or WILLINGNESS of people to put in an honest day's work decreases, and the quantity of goods and services becomes scarce.

Mom says if my cousin Sara can't wear my old coat she'll put it in Mrs. Dawkins garage sale. She wants to get at least twenty-five dollars for it.

Free enterprise implies the right to own and use property to its highest and best use. The right to own property is part of our basic freedom. There is no freedom without it.

Turner's Department Store has the coat I want...in my size, too. But Pringle's has it at a cheaper price! (NOT in my size). Mom says that Turner's has the Motto, "We'll meet any price," and she is going to see if they mean it. If they do, she can get my coat in my size at Pringle's price!

Free enterprise promotes competition. People are happy with competition among sellers when they are buying. But when they are the sellers and other sellers try to outdo them in price, service or quality, they are less content. The raising or lowering of prices of goods or services is the main idea of competition in the free enterprise system.

I'm glad that I won't have to pay for that coat...not on my allowance! My older brother has a penpal who has to buy her own clothes. She lives overseas in a socialistic country. She complains about the lack of work. The young adults have no money, no available jobs, and they are very unhappy with the government. They are turning "punk!"

In contrast to the free enterprise system, communism and socialism are systems that promote the control of the state, not the individual. There is no freedom in these two types of economic systems. Food and clothing shortages and no profit motivation are also characteristic of these systems.

Mom wants me to go through my closet to find more good, but outgrown (when will I STOP growing!) clothes that we can send to Sara. Sara is twenty-three and is the size I was last year. She's married to a farmer and has a new baby. They have a small farm in the central part of our state, and they don't have much money. Dad says Tom may have to give up farming because tractors, equipment and supplies cost more than Tom can earn, even though he produces good crops. Dad says farmers are productive people and should not have to suffer from high prices caused by groups or programs that are unproductive in our society. Hmmm... What is unproductive???

People who demand more money than what they really earn for their work or products, and non-essential government programs interfere with our free enterprise system, and tend to destroy the basic freedoms of our country.

Someday, I want to be a nurse...or a music teacher. Would this be productive? We will always need nurses and teachers, I guess, because productive people must stay healthy, and teachers can help show others how to be happier and more productive! Free enterprise system seems the best system. I hope we will keep it alive and well.

Can't wait to get my new coat!

PROJ
BENE

BUSINESS WORKS!
FROM YOUR EXPERT.

PLEASE CALL US TO

LIST FOR THE FALL SO MORE STUDENTS MAY